1999 Annual Report

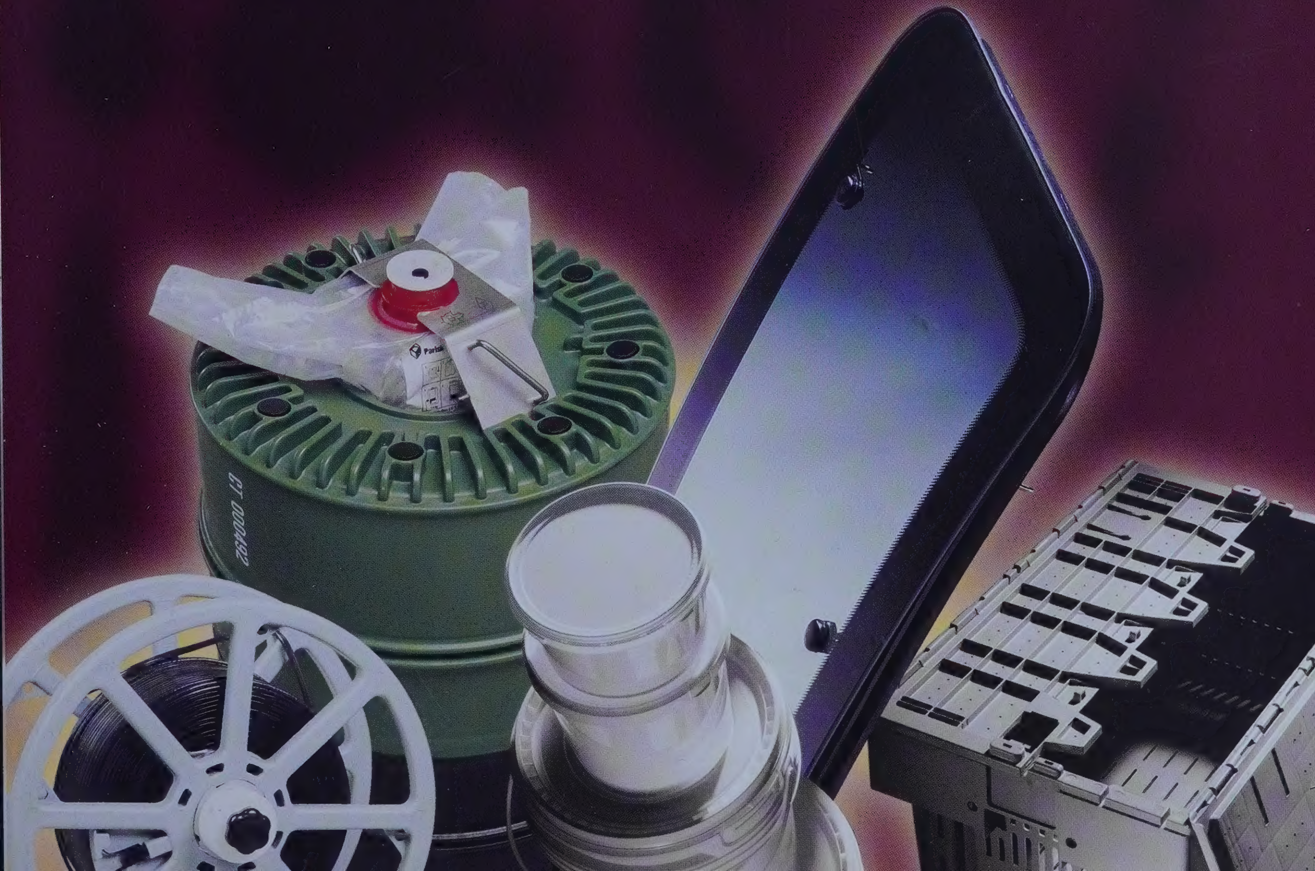




IPL

# together with passion

TOGETHER WITH PASSION



# IPL AT A GLANCE

## INDUSTRIAL DIVISION

| PRODUCTS | PRODUCTION FACILITIES | MARKETS |
|---|---|---|
| **MATERIALS HANDLING** | | |
| Lobster crates<br>Maple syrup barrels<br>Multi-functional flap boxes<br>Agri-food containers<br>Fish totes<br>Telephone/Coax reels | St-Damien, Quebec<br>Windsor, Ontario | Agri-food<br>Telecommunications<br>Fisheries<br>Transportation |
| **WASTE MANAGEMENT** | | |
| Wheeled carts<br>Biocarts/organic crates<br>Recycling boxes | St-Damien, Quebec | Municipalities<br>Commercial<br>Industrial |
| **AUTOMOTIVE** | | |
| Running boards<br>Window seals<br>Shrouds<br>Rocker panels<br>Trim panels | St-Lazare, Quebec<br>St-Damien, Quebec<br>Windsor, Ontario | Tier 1 suppliers to the "big three" automobile manufacturers |
| **INDUSTRIAL CUSTOM MOLDING** | | |
| R-V components<br>Railway insulators<br>Freon crates<br>Pavings | St-Lazare, Quebec<br>St-Damien, Quebec | Recreational and rail transportation |
| **EXTRUSION** | | |
| Syrup tubing<br>Fiber optic tubing<br>Moldings<br>Profilings | St-Lazare, Quebec | Maple syrup production<br>Gardening<br>Furniture<br>Automotive |

## PACKAGING DIVISION

| PRODUCTS | PRODUCTION FACILITIES | MARKETS |
|---|---|---|
| **PAILS AND CONTAINERS** | | |
| Pails<br>Containers | St-Damien, Quebec | Agri-food<br>Chemicals<br>Construction |
| **THIN-WALLED CONTAINERS** | | |
| Small square and round containers | Edmundston, N.B. | Agri-food |

## INNOVATION QUALITY SKILLED WORKFORCE

These are the most important words for IPL. They are heard constantly, everywhere, and are what drive the Company to the highest levels.

Innovation. IPL's strategy is based on the needs of its numerous customers in very diversified sectors, ranging from automobiles to recreational vehicles and railways, from agribusiness to telecommunications, from fisheries to municipalities and from the maple syrup industry to horticulture. Innovation is its prime strength. That is why sales continue to grow.

Quality. At IPL, everything depends on quality and new technology. Proud of its products, the Company displays an avant-garde spirit and is at the cutting-edge of technology in order to offer the best products, on a quality to price comparison.

Skilled workforce. IPL's employees are its principal pillars. IPL invests much time and money in the training of its highly specialized personnel. More than 850 have been employed to help reach Company objectives.

IPL is one of the most thriving of Quebec companies, targeting the North American market.

### SALES OFFICES AND WAREHOUSES

IPL Products Ltd.
10 Forbes Road
Northboro,
Massachusetts
01532 USA

IPL Inc. (Toronto)
111 Advance Blvd
Brampton, Ontario
L6T 4H8

IPL Inc. (Detroit)*
200 E. Big Beaver
Troy, Michigan
48083 USA

* Sales office only

### PLANTS AND SALES OFFICES

IPL Inc.
140 Commerciale Street
St-Damien, Quebec
G0R 2Y0

IPL Prelude Corp.
C.P. 25098
Windsor, Ontario
N9S 3E5

IPL Plastics Ltd.
20 Boyd Street
Edmundston,
New Brunswick
E3V 4H4

IPL Inc.,
Extrusion Division
130 Aubé Street
St-Lazare, Quebec
G0R 3J0

IPL INC. AND ITS SUBSIDIARIES

# FINANCIAL HIGHLIGHTS



| Twelve months ended (thousands of dollars except per share amounts) | Growth rate | October 2 1999 | October 3 1998 | September 27 1997 | September 28 1996 | September 30 1995 |
|---|---|---|---|---|---|---|
| Sales | 19.0% | $ 135,409 | $ 113,775 | $ 109,540 | $ 91,578 | $ 85,376 |
| EBITDA | 20.9% | $ 23,887 | $ 19,756 | $ 16,824 | $ 15,984 | $ 14,943 |
| EBITDA margins | | 17.6% | 17.4% | 15.4% | 17.5% | 17.5% |
| EBT | 19.8% | $ 12,813 | $ 10,693 | $ 8,913 | $ 8,467 | $ 6,784 |
| EBT margins | | 9.5% | 9.4% | 8.1% | 9.2% | 7.9% |
| Net earnings | 19.1% | $ 8,381 | $ 7,034 | $ 6,251 | $ 5,621 | $ 4,147 |
| Net earnings margins | | 6.2% | 6.2% | 5.7% | 6.1% | 4.9% |
| Earnings per share | | | | | | |
| Basic* | 18.6% | $ 1.15 | $ 0.97 | $ 0.95 | $ 0.92 | $ 0.68 |
| Fully diluted | 17.9% | $ 1.12 | $ 0.95 | $ 0.93 | $ 0.90 | $ 0.68 |
| Dividend per share | 17.9% | 0.33 | 0.28 | 0.27 | 1.27 | 0.22 |
| | | | | | | |
| Total assets | | $ 121,981 | $ 95,087 | $ 90,501 | $ 67,304 | $ 60,651 |
| Working capital | | $ 21,675 | $ 17,631 | $ 15,260 | $ 12,278 | $ 11,298 |
| Long-term debt to capital | | 36% | 22% | 23% | 37% | 29% |
| Return on equity | | 13.9% | 12.9% | 12.7% | 18.7% | 12.9% |
| Book value per share ** | | $ 8.13 | $ 7.31 | $ 7.29 | $ 4.74 | $ 5.10 |
| Funds from operations per share * | | $ 2.46 | $ 2.07 | $ 2.04 | $ 1.86 | $ 1.68 |
| | | | | | | |
| Average shares outstanding | | 7,279,250 | 7,277,750 | 6,610,045 | 6,085,000 | 6,079,333 |
| Shares outstanding at year end | | 7,279,250 | 7,279,250 | 7,275,250 | 6,085,000 | 6,085,000 |
| Average shares fully diluted | | 7,671,696 | 7,566,977 | 6,858,681 | 6,265,000 | 6,162,507 |

* Adjusted according to the weighted average of common shares in circulation

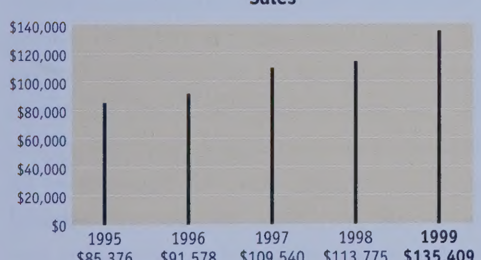
** Note: Calculation of Book value per share:
Shareholders' equity - Class "C" shares / average shares outstanding

## Stock information

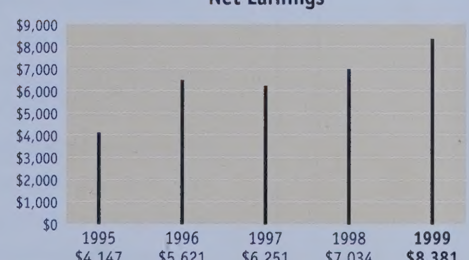
As of December 15, 1999

| | |
|---|---|
| Ticker symbol | IPI.A |
| Exchange | TSE |
| Stock price | $11.25 |
| 52 week high/low | $12.50/$9.20 |
| P/E | 9.78 |
| Dividend yield | 2.9% |

**Sales**




**Net Earnings**



# MESSAGE TO SHAREHOLDERS

## A PROFITABLE YEAR IN MANY WAYS


Sales grew substantially in fiscal 1998-1999, following the example of previous years. Our revenues at $135.4 million were up 19% over last year. Our net earnings rose to $8.4 million compared to $7.0 million a year earlier, also an increase of 19%. This was reflected in the net earnings per share which climbed to $1.15 per share ($1.12 fully diluted) compared to $0.97 per share ($0.95 fully diluted) last year.

This growth took place without having to invest in new acquisitions. It was the result of the expansion of our United States market, a broader diversification in our value-added products, an increase in the number of customers, improved sales efforts, a decrease in our production losses and a better centralization of our orders.

One of IPL's main strengths is the diversification of our product portfolio, which is grouped into two divisions, Industrial and Packaging. Each serves a particular customer base with its own needs. This provides for a wider presence in the plastics market where one must constantly innovate to increase market share.

In 1999, our Industrial and Packaging divisions registered excellent growth with gross revenues of $68.3 million and $67.1 million respectively. In some sectors, we concentrated on the development of niche markets in order to increase growth. New proprietary products were also developed to build profitability. More and more, we are investing in our sales and distribution infrastructure in the United States. We anticipate increasing our sales and marketing for the American market, which represents strong potential that should be increasingly profitable in the long term. A major sales advantage for IPL is the ability to work closely with our customers to provide them with innovative solutions designed to improve their products. During fiscal 1998-1999, we also received, for the third time, QS 9000 recertification for the automobile industry market.

Another asset for IPL is our Research and Development. It enables us to develop new solutions to meet potential customer needs, and thus expand on business opportunities. We count on leading technology and our skilled workforce to create profitable, value-added products. Cost reduction programmes were successfully implemented this year and will continue to improve our efficiency. Many new products have seen the light of day at IPL. Next year, others will be added to the several hundred already existing. Our aim is to always keep the most successful products in the marketplace. Therefore, in 1999, we eliminated certain product lines and standardized others.

It is thanks to our employees that we can think in terms of continuous improvement. Our principal objective is to increase our sales by developing strong business ties with our customers. If the trend is maintained, IPL's sales for fiscal 1999-2000 should reach approximately $155 million.

### Plastic, the way of the future

Increasingly, plastic will be used to replace cardboard, metal and wood because of environmental concerns, preservation, as well as water and air tightness and durability. At IPL, we are constantly on the lookout for all opportunities to increase sales and to take a larger slice of the North American market. In the Year 2000, we will specifically target the American mid-west and Ontario. These markets will generate the most interesting business opportunities for IPL.

### Our workforce: our strength

The manufacturing of our products requires a highly qualified and responsible workforce. It takes committed personnel interested in advancement. For that reason, and to take the steps to ensure our growth, we will continue to invest next year in manpower training. The quality of our products plays a major role in our expansion.


### Acknowledgements

We would like to thank each of our employees for their dedication and participation in the pursuit of our growth. This on-going support and daily contribution will allow us to strive for increased profitability and an expansion of our presence in the North American market.

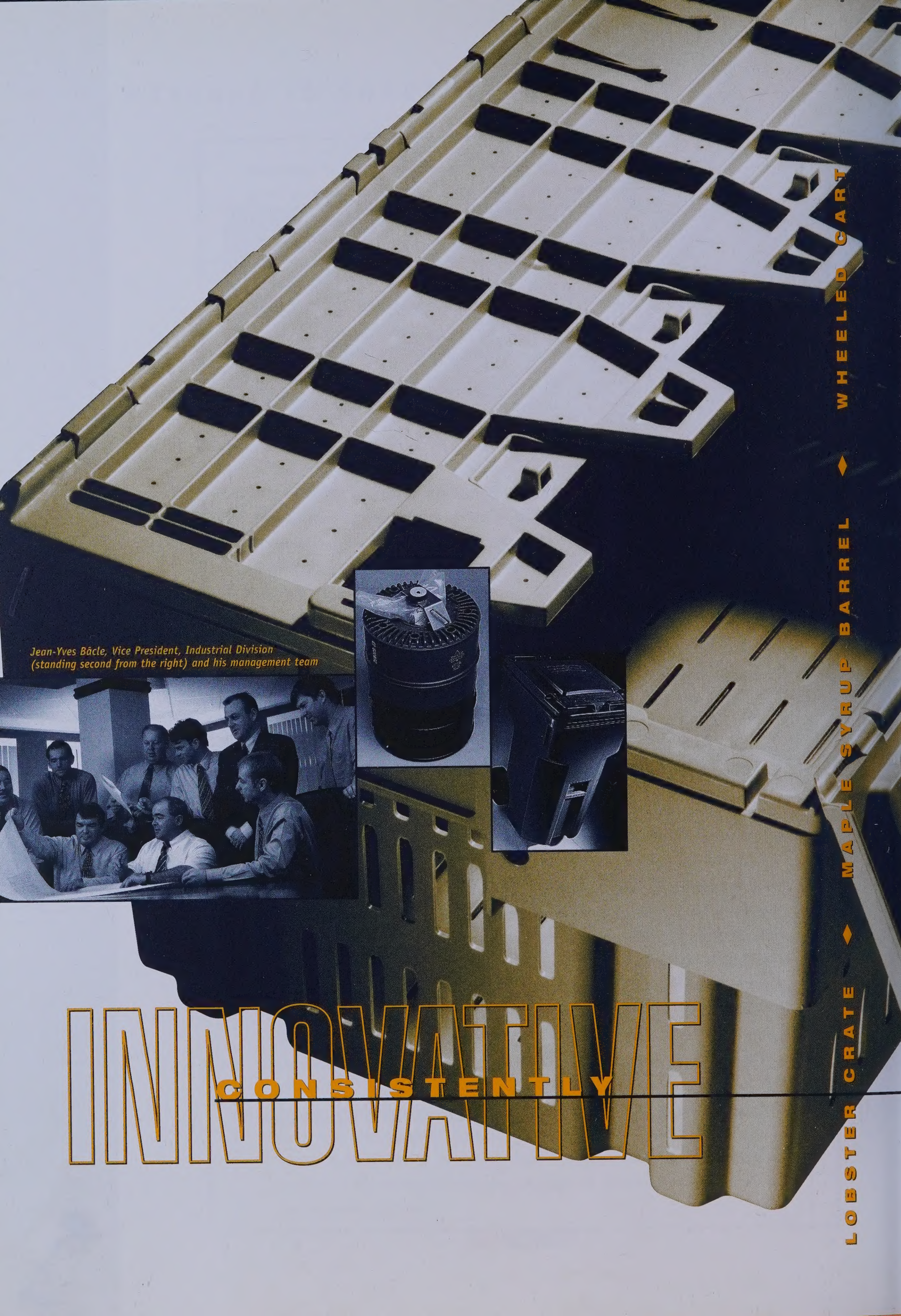
We would also like to express our gratitude to the members of the Board of Directors for their valuable advice and understanding. As well, we thank our shareholders and partners for their support and confidence.


## OUTLOOK

In order to ensure an orderly succession at IPL, a new Chief Operating Officer will be hired shortly. His prime mandate will be to sustain our growth. It is a formidable challenge, as it will coincide with our strongest thrust into the United States market. While this is an opportune time for expansion, we must also constantly re-evaluate our key clients, our products and our services in order to adjust to current and future needs. We must remain proactive and examine all opportunities that will satisfy both our shareholders and our customers.

Chairman of the Board
Rémi Métivier
Saint-Damien, Quebec

President and Chief Executive Officer
Julien Métivier



# CONSISTENTLY INNOVATIVE

LOBSTER CRATE ◆ MAPLE SYRUP BARREL ◆ WHEELED CART

*Jean-Yves Bâcle, Vice President, Industrial Division (standing second from the right) and his management team*

# REVIEW OF OPERATIONS

## INDUSTRIAL DIVISION

### SALES INCREASE 31%

**1999 was highlighted by a number of success stories in the Industrial Division. Overall, sales increased by 31% to $68.3 million.**

### MATERIALS HANDLING SECTOR

The Materials Handling sector achieved tremendous growth of more than 60% last year. The Company's varied plastic containers, such as those for beer, as well as its lobster crates and barrels for maple syrup, were of interest to many and demand for these products should increase next year. As is the case in Europe, the tendency in North America is for cardboard boxes to be replaced by plastic containers. These will be a profitable long-term investment for various enterprises as they can be reused for many years and are also recyclable. IPL anticipates the significant growth of this market in the years ahead. The Company is positioned to gain an increasing part of this market.

During 1999, IPL's FlapNest™, multi-functional containers continued to be extremely popular, particularly in the United States. Judging from the order book, this will again be the case again next year.

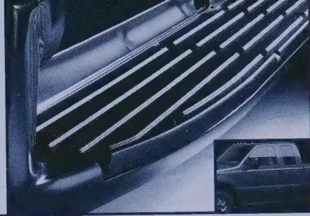
Logistical companies that rent containers also provide an interesting market. Many prefer rental rather than purchase. In the year 2000, we will take the time to further develop this opportunity.

For the past few years, Materials Handling has recorded sustained growth. As IPL adds to its line of value-added products and diversifies its geographic market penetration, growth should be in the 15-to-20% range in the coming year.

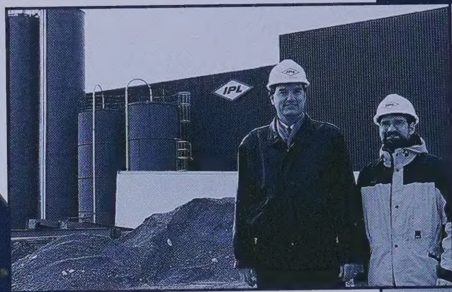
### WASTE MANAGEMENT

The Waste Management sector has expanded over the past few years. Demand for environmentally friendly products is on the rise. The public, governments and enterprises, being more and more attuned to the necessity of using value-added waste management products in order to preserve natural resources, have contributed to increased sales as well as the potential of this sector. In 1999, IPL recorded more than 40% growth in the waste management sector.

IPL is first in market share in Canada for its plastic-injected wheeled carts. In the year 2000, the Company anticipates greater penetration of the American market with a more developed sales network.



Michael Oberemk, Plant Manager of Windsor facility alongside Maurice Beauchamp, Production Assistant




# GROWING CONSISTENTLY

WINDOW SEAL ◆ RUNNING BOARD ◆ FX MASK

### CUSTOM AUTOMOTIVE PRODUCTS SECTOR

During the last 12 months, IPL's automotive sector has grown by a spectacular 40%. The current trend in the automotive market is to deal with sub-contractors. The Company is aiming to become one of the prime "Tier 2" suppliers of plastic components.

For the Custom Automotive Products sector, IPL's strategy is primarily based on the potential resulting from the use of cutting-edge technology for specific, well-established niches, with high value-added and strong growth possibilities. IPL's strength is also the ability to suggest improvements in customers' products through the use of Company concepts and innovative solutions.

IPL has also signed contracts for the next three years with "Tier 1" suppliers in the Automotive Parts Manufacturing sector for such major companies as GM, Ford and Chrysler.

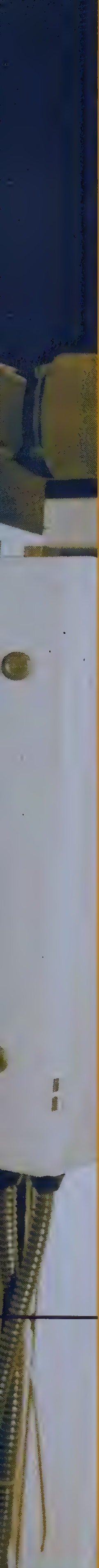
The Company currently has some 15 "Tier 1" customers. IPL is of the opinion it will be able to double that number within three years. The Windsor plant will play a dominant role in the achievement of this objective. Its production capacity will increase significantly in the coming years. Its proximity to Ontario and U.S. mid-west markets will enable the Company to capitalize on its geographic location.

U.S. customers currently represent some 30% of IPL revenues in the automotive sector. IPL has invested heavily during the past few years to boost this figure to close to 50%, an objective that should be achieved in the near future.

*Production of running boards*

FIBER OPTIC TUBING

# CONSISTENTLY CREATIVE



# REVIEW OF OPERATIONS

## INDUSTRIAL DIVISION

### INDUSTRIAL CUSTOM MOLDING SECTOR

The Industrial Custom Molding sector experienced a slight decrease in revenues in 1999. It targets a very specialized and segmented market, which at times makes it vulnerable to certain unknowns such as the risk of seasonal fluctuations.

To resolve this situation, IPL will further increase its geographic penetration by targeting the Ontario and American markets, which should soon allow this sector to return to a growth phase. With this in mind, IPL has increased and strengthened its sales team. The Windsor plant will play more of a leading role in the development of IPL's custom products for customers in the North American mid-west.

The Industrial Custom Molding sector will also continue to use cutting-edge technology, driven by requirements of the automotive sector, to develop innovative solutions for IPL's customers.

### EXTRUDED PRODUCTS SECTOR

The Extruded Products sector benefited from very strong growth over the past three years. In 1999, it was up by 38%. This success can be attributed to several niches that the Company was able to research and develop.

Fibre optic tubing has scored an important success that could lead to other contracts in the near future. The popularity of the Company's products in the maple syrup industry has also contributed to increased market share.

In order to sustain growth in the Extruded Products sector, the Company will diversify its offerings and expand its client base in such varied sectors as automotive, transportation, building materials and telecommunications. As well, in order to better manage growth, the Company anticipates additional development of proprietary products.

### OUTLOOK

In the year 2000 the Industrial Division will consolidate its base in order to improve the profitability of all its activities. The Windsor plant will play a key role from an operational standpoint, allowing the Company to make a larger impact in North America. IPL's highly sophisticated and efficient production techniques and the balanced sharing of work throughout its different plants will enable the Company to offer very specialized products to meet specific needs. As well, IPL will concentrate on its objective of achieving a more rapid rate of growth in the United States.

INDUSTRIAL PAILS ◆ EDMUNDSTON FACILITY ◆ THIN-WALLED CONTAINERS

*Paul Turcot, Vice President, Packaging Division (seated, right) and his management team*


# EVOLVING CONSISTENTLY

# REVIEW OF OPERATIONS

## PACKAGING DIVISION

### SALES INCREASE 9%

The Packaging Division has experienced a net growth in sales in recent years. Revenues have increased from $52.8 million in 1997 to $67.1 million for fiscal 1999. Highly specialized in the manufacture of value-added containers, the Packaging Division operates in the industrial pail and thin wall container sectors, with a wide range of products for more than 3,000 customers.

All IPL Packaging products are renowned for their innovative attributes and provide competitive advantages to their users, a result of their water and air tightness and their ease of use in industries requiring the highest safety standards. For example, the Company's Shure-Lock™ containers permit food manufacturers to offer tamper-evident products without adding cost. IPL's watertight, seamless industrial pails are also highly popular.

IPL's innovation is also evident in the manufacturing process. Some products are manufactured from new, more resistant resins, allowing for faster production cycles. Price, performance and quality are the greatest concerns in the competitive plastics market. In 1999, IPL specifically concentrated on what the Company does best while eliminating less profitable and less popular products. To increase efficiency, the Company implemented programs to improve management and operational methods.

At IPL, the creation of new products stems from the quest for and the identification of specific customer needs. Value-added products provide marked advantages for their users.

### INDUSTRIAL PAILS

Designed and manufactured in Saint-Damien, Quebec, industrial pails represent 80% of the Packaging Division's revenue. They are developed to meet customers' needs and are available in a complete assortment of products.

The Company added several new containers to its series 12 light, watertight and featuring our proprietary tamper-evident Shure-Lock™ system and additional series 48 containers, identical but more sturdy than those of series 12. These new, innovative and avant-garde containers have enabled IPL to withdraw 164 more traditional products and at the same time, convert less profitable customers to more profitable ones. The Company was thus successful in building the loyalty of this customer base.

Canadian and American companies in the food, dry cleaning, chemical products and building materials sectors can all use IPL's industrial pails.

THIN-WALLED CONTAINERS

IPL's thin-walled containers for the retail market are almost exclusively of interest to companies in the food business...milk products, fruits and vegetables, meats and fisheries as well as sauces and condiments. These containers are manufactured in Edmundston, New Brunswick. IPL's round and square safety seal Shure-Lock™ as well as the in-mold-labelling containers offer positive advantages to consumers and are very much in demand.

### Acquisition

This past year, IPL acquired a new 90,000 square foot, $4 million plant in Edmundston. This facility will enable IPL to double production capacity in less than two years with the addition of high performance machines as well as more multi-cavity molds. The number of machines will increase from 17 to 27.

This plant, one of the most modern of its kind, will enable IPL to enhance operational efficiencies while, in the short term, meeting the growth in U.S. demand for the Company's products.

The success achieved in Canada by IPL's packaging products has led the Company to export this expertise to the United States. Sufficient interest has been raised so that IPL is evaluating the opportunity to create, within the next two years, production facilities to meet the needs of the American market.

### The American Market

The American market, valued in excess of US$2 billion, represents tremendous potential for the Packaging Division. IPL's packaging products are extremely popular among both consumers and manufacturers because of their attractiveness, performance, quality and ease of use. Their growth in sales, with interesting profit margins, is a result of value-added features stemming from the integration of numerous technological innovations.

IPL's sales team and marketing efforts will be strengthened to ensure a greater presence in the United States in the year 2000. IPL will continue to adjust manufacturing and distribution methods in order to efficiently manage the growth of this market of the future. At twelve times the size of the Canadian market, the American market affords tremendous opportunities for IPL's expansion. The Company's geographic position enables it to reach 66% of the U.S. market within a radius of 1,000 miles. Customers in the American north-east and mid-west will be directly targeted.

## OUTLOOK

IPL has a reputation as a world-class company. This is due to the Company's expertise in injection molding, its Research and Development know-how, as well as the specialization of the Company's plants in Saint-Damien and Edmundston. The wide variety of products and the innovative characteristics of the Company's containers add to this excellent reputation. Sales next year should grow by 7% in Canada, as it is a relatively mature market, and by some 20% in the United States.

# MANAGEMENT DISCUSSION
## AND ANALYSIS OF OPERATING RESULTS AND FINANCIAL POSITION

### OPERATING RESULTS 1999 VERSUS 1998

Sales for the fiscal year ended October 2, 1999 rose to $135.4 million, up 19% from $113.8 million the previous year. Gross revenues rose 31% in the Industrial Division to $68.3 million and 9% in the Packaging Division to $67.1 million. The growth in the Industrial Division is primarily attributable to strength in the Materials Handling, Waste Management, Automotive and Extrusion sectors, whose revenues all progressed considerably. Growth in the Packaging Division is primarily attributable to increased sales of thin-wall containers, in the American market.

In 1999, the fiscal year comprised 52 weeks, compared to 53 weeks in 1998. Close to 32% of the Company's sales this year were to the U.S., compared to 34% in 1998. The decline in the American percentage of total sales was due to the fact that although exports continue to perform well, Canadian sales are growing faster. This was particularly evident in Ontario, where the automotive sector is showing increased demand for Tier 1 suppliers.

During the year IPL purchased the assets of Prelude Plastics Manufacturing Corporation for $7.5 million; of this amount $1.2 million was related to goodwill. The plant, used mainly for the Industrial Division, showed little growth this year. However, starting in July 2000, it should be generating sales of $1.5 million per month. The plant is budgeted to generate sales of $15 million next year, and $20 to $25 million in subsequent years.

Operating costs, consisting of manufacturing, sales and administrative expenses, rose to $112.7 million in 1999, from $95.1 million the previous year. When expressed as a percentage of sales, these costs are roughly the same as in 1998.


Earnings before interest, taxes, depreciation and allowance (EBITDA) were up 21% to $23.9 million in 1999, from $19.8 million the previous year. EBITDA in the Industrial Division rose to $11.8 million and in the Packaging Division to $12.1 million. Earnings before depreciation, of about 8% in each of IPL's divisions, compare favorably to industry averages. The Company plans to continue cost-control efforts over the next year, with a view toward further improving margins.

Depreciation charges rose to $9.1 million, up from $7.7 million the previous year. Depreciation rates remained roughly the same. For the year 1998-1999, financial expenses rose to $1.9 million, from $1.4 million the previous year. However when expressed as a percentage of sales, financial expenses remained constant.

The Company's pre-tax income rose to $12.8 million for the year, up from $10.7 million in 1998.

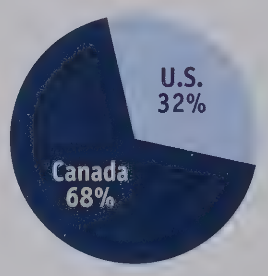
IPL's net income increased 19% to $8.4 million in 1999, compared to $7.0 million the previous year. The average taxation rate rose slightly to 34.6% from 34.2%, largely because of different tax levels in the Canadian provinces and the U.S. The Industrial Division generated net consolidated profits of $4.6 million, compared to $3.8 million in the Packaging Division.

Earnings per share in 1999 rose to $1.15 ($1.12 fully diluted), up from $0.97 (0.95 fully diluted) the previous year. The Company declared dividends totaling $0.33 per share. A dividend of $0.18 per share was paid on June 18, 1999, to shareholders of record on June 4th, and a dividend was paid out on September 29, 1999 to shareholders of record September 15th.

## Liquidity and Financial Resources

Internally generated funds rose 19% to $17.9 million in 1999, up from $15.0 million the previous year. Non-cash working capital rose $6.2 million due to an increase in accounts receivable and inventory.

**Geographic Sales Breakdown**



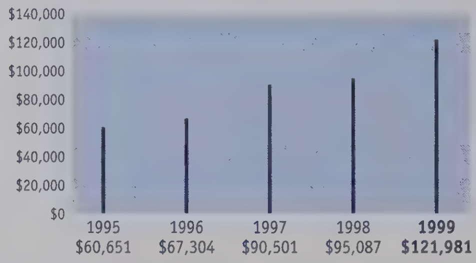

In 1999, cash flow from investing activities was $28.4 million, compared to $12.3 million the previous year. Cash was deployed in numerous investments in Ontario and the Maritimes, including the acquisition of a company, real estate, machinery and molds. Due to a large number of new contracts in the up-coming year, the Company expects a large amount of cash to be tied up in operations and capital expenditures.

In 1999, cash flow generated from an increase in long-term debt rose to $22.9 million, from $4.6 million the previous year. The cash was used to re-finance both short-term financing of acquisitions, and fixed assets mentioned earlier.

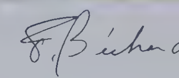
The Company invested $5 million in building infrastructure in 1998-1999, and will invest the same amount next year, in order to prepare for the installation of machinery, equipment and molds. This should generate a significant sales increase, starting in July 2000.

Accounts receivable jumped 34% to $27.3 million in 1999, up from $20.4 million the previous year, due mostly to increased fourth quarter sales. There were 59 days of sales in receivables in 1999, compared to 57 days of sales in receivables the previous year. However, the total excludes raw material advances made to sub-contractors, to meet strong fourth quarter demand.

**Total Assets**

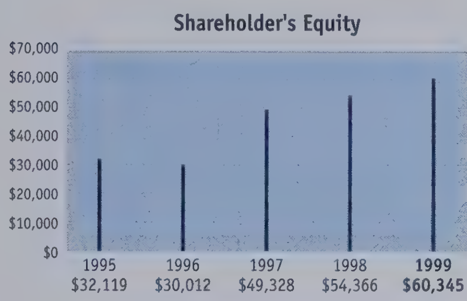



Inventories rose to $17.3 million in 1999, compared to $15.1 million the previous year. Inventories were lower than expected due to a significant increase in shipments, especially during the holiday period. The Company plans to increase inventories next year to better service its clients. Inventory shortages, and inadequate production capacity cost the Company about $2 million worth of sales in the fourth quarter of 1999.



François Béchard
Vice President, Finar
and Secretary

Working capital increased to $21.7 million in 1998-1999, compared to $17.6 million the previous year. Total assets rose 28% to $122.0 million in 1999, compared to $95.1 million the previous year. The acquisition of a subsidiary, and miscellaneous investments, contributed to this growth.




Current liabilities rose 20% during 1998-1999 to $25.1 million, up from $20.9 million the previous period. Accounts payable were up, largely due to increased use of subcontractors to clear up order backlogs during the May to August period. Long-term debt rose to $28.6 million in 1999, up from $12.6 million the previous year.

Shareholders equity rose 11% in 1999 to $60.3 million, up from $54.4 million in 1998.

## Risks and Uncertainties

More than 70% of the Company's sales are affected by the price of raw materials, mostly plastic resins derived from the petroleum industry. A clause, transferring the risk derived from these increases to the client, is included in the Company's sales contracts. In 1999, raw materials costs rose several times, beginning in May. If raw material prices remain at their current levels, the Company's margins will be negatively impacted during the 1999-2000 fiscal year.

The Company occasionally hedges certain sales contracts against currency fluctuations. Currency risk is somewhat lessened by the purchase of certain products in American dollars.

IPL invested about $1 million in the replacement of hardware and software products in the parent Company and its subsidiaries in order to ensure Y2K compliant systems.

# OUTLOOK

IPL began the fiscal year 1999-2000 on a solid foundation. The acquisition of Prelude Plastics Manufacturing Corporation, as well as the addition of plant square footage, and the installation of machinery and molds have combined to increase production capacity.

A strengthened order book, vigorous local markets and increased American exports should help sustain an internal growth rate, which was about 16% in 1998-1999.

If sales increases continue at the current rate, and production levels are maintained, management is confident of hitting its fiscal 1999-2000 revenue targets. Sales should jump to $155 million in fiscal 1999-2000, from $135 million in 1998-1999.

## MANAGEMENT REPORT

IPL Inc.'s annual report for the year ended October 2, 1999, and the consolidated financial statements included therein, were prepared by the Company's Management and approved by the Board of Directors. The Audit Commitee of the Board is responsible for reviewing the consolidated financial statements and for ensuring that the Company's internal control systems, management policies and accounting practices are adhered to.

The consolidated financial statements contained in this annual report have been prepared in accordance with the accounting policies which are enunciated in the notes to financial statements and which Management believes to be appropriate to the activities of the Company.

The external auditors appointed by the Company's shareholders, Samson Bélair Deloitte & Touche, have audited these consolidated financial statements and their report appears below.

All information given in this annual report is consistent with the consolidated financial statements included herein.

F. Béchard

François Béchard
Vice-President, Finance and Secretary

## AUDITORS' REPORT

To the Shareholders of IPL Inc.

We have audited the consolidated balance sheets of IPL Inc. and its subsidiaries as at October 2, 1999 and October 3, 1998 and the consolidated statements of earnings, retained earnings and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at October 2, 1999 and October 3, 1998 and the results of its operations and its cash flows for the years then ended in accordance with generally accepted accounting principles.

Samson Bélair Deloitte & Touche

Samson Bélair Deloitte & Touche, S.E.N.C.
Chartered Accountants
November 19, 1999

## CONSOLIDATED STATEMENTS OF EARNINGS

| Years ended (in thousands of dollars) | October 2 1999 | October 3 1998 |
|---|---|---|
| Sales | $ 135,409 | $ 113,775 |
| Operating expenses | 112,729 | 95,088 |
| Amortization of deferred grants | ( 507) | ( 518) |
| Other revenue, net | ( 700) | ( 551) |
| | 111,522 | 94,019 |
| Earnings before amortization, financial expenses and income taxes (EBITDA) | 23,887 | 19,756 |
| Depreciation of fixed assets | 8,449 | 7,072 |
| Amortization of deferred charges and goodwill | 693 | 601 |
| Financial expenses | 1,932 | 1,390 |
| | 11,074 | 9,063 |
| Earnings before income taxes | 12,813 | 10,693 |
| Income taxes | 4,432 | 3,659 |
| NET EARNINGS | $ 8,381 | $ 7,034 |
| Net earnings per share (Note 2) | | |
| Basic | $ 1.15 | $ 0.97 |
| Fully diluted | $ 1.12 | $ 0.95 |

References: Grants (Note 10)
and interest (Notes 8 and 9)

## CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

| Years ended (in thousands of dollars) | October 2 1999 | October 3 1998 |
|---|---|---|
| Balance at beginning | $ 31,172 | $ 26,176 |
| Net earnings | 8,381 | 7,034 |
| | 39,553 | 33,210 |
| Dividends | ( 2,402) | ( 2,038) |
| Balance at end | $ 37,151 | $ 31,172 |

# CONSOLIDATED BALANCE SHEETS

| As at<br>(in thousands of dollars) | October 2<br>1999 | October 3<br>1998 |
|---|---|---|
| CURRENT ASSETS | | |
| Cash | $ 85 | $ 2,558 |
| Accounts receivable | 27,349 | 20,400 |
| Inventories (Note 4) | 17,274 | 15,066 |
| Molds for sale | 1,736 | 36 |
| Prepaid expenses | 364 | 453 |
| | 46,808 | 38,513 |
| DEPOSITS ON ACQUISITION OF FIXED ASSETS | 3,662 | 440 |
| FIXED ASSETS (Note 5) | 68,520 | 53,491 |
| INTANGIBLE ASSETS (Note 6) | 1,234 | - |
| DEFERRED CHARGES (Note 7) | 766 | 1,368 |
| OTHER ASSETS | 991 | 1,275 |
| | $ 121,981 | $ 95,087 |
| CURRENT LIABILITIES | | |
| Bank loans (Note 8) | $ 316 | $ 3,066 |
| Accounts payable and accrued liabilities | 17,358 | 13,402 |
| Income taxes payable | 1,784 | 1,285 |
| Current portion of long-term debt (Note 9) | 5,675 | 3,129 |
| | 25,133 | 20,882 |
| LONG-TERM DEBT (Note 9) | 28,596 | 12,621 |
| DEFERRED INCOME TAXES | 7,907 | 7,218 |
| SHAREHOLDERS' EQUITY | | |
| Capital stock (Note 11) | 23,194 | 23,194 |
| Retained earnings | 37,151 | 31,172 |
| | 60,345 | 54,366 |
| | $ 121,981 | $ 95,087 |

ON BEHALF OF THE BOARD

Rémi Métivier
Director

Julien Métivier
Director

# CONSOLIDATED STATEMENTS OF CASH FLOWS

| Years ended (in thousands of dollars) | October 2 1999 | October 3 1998 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net earnings | $ 8,381 | $ 7,034 |
| Adjustments for: | | |
| Depreciation of fixed assets and amortization of deferred charges and goodwill | 9,142 | 7,673 |
| Amortization of deferred grants | ( 507) | ( 518 ) |
| Deferred income taxes | 689 | 822 |
| Loss on disposal of fixed assets | 218 | 39 |
| Operating cash flow | 17,923 | 15,050 |
| Changes in non-cash working capital items (Note 13) | ( 6,185) | 3,207 |
| Cash provided by operating activities | 11,738 | 18,257 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisition of fixed assets | ( 18,953) | ( 10,793 ) |
| Deposits on acquisition of fixed assets | ( 3,662) | ( 440 ) |
| Disposal of fixed assets | 1,619 | 157 |
| Acquisition of a company (Note 3) | ( 7,491) | - |
| Increase in deferred charges | ( 75) | ( 860 ) |
| Acquisition of other assets | ( 289) | ( 789 ) |
| Disposal of other assets | 446 | 385 |
| Cash used in investing activities | ( 28,405) | ( 12,340 ) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Long-term loan | 22,949 | 4,625 |
| Repayment of long-term debt | ( 4,428) | ( 3,239 ) |
| Decrease in short-term debt | ( 2,750) | ( 2,884 ) |
| Grants for fixed assets | 825 | 219 |
| Issue of common shares, net of expenses | - | 42 |
| Dividends paid | ( 2,402) | ( 2,038 ) |
| Cash provided by (used in) financing activities | 14,194 | ( 3,275 ) |
| INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | ( 2,473) | 2,642 |
| CASH AND CASH EQUIVALENTS AT BEGINNING | 2,558 | ( 84 ) |
| CASH AND CASH EQUIVALENTS AT END | $ 85 | $ 2,558 |

## 1. STATUS AND NATURE OF ACTIVITIES

The Company, incorporated under Part 1A of the Companies Act (Québec), and its subsidiaries specialize in the design, manufacturing and marketing, in Canada and the United States, of products manufactured by an injection moulding process using thermoplastic resin.

The year ended October 2, 1999 had 52 weeks (53 weeks for the year ended October 3, 1998).

## 2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with generally accepted accounting principles and include the following significant accounting policies:

**Basis of consolidation**

The consolidated financial statements include the accounts of the Company and those of its subsidiaries, expressed in Canadian dollars.

**Cash flows**

At the beginning of the current year, the Company adopted the new recommendations of the Canadian Institute of Chartered Accountants with respect to the presentation of cash flows information.

Under the new recommendations, non-cash transactions are excluded from the statement of cash flows and disclosed elsewhere in the financial statements. Cash equivalents are restricted to investments that are readily convertible into a known amount of cash, that are subject to minimal risk of changes in value and which have an initial maturity of three months or less.

Cash flows information for the prior year has been restated to conform to the new recommendations. The adoption of the new standards had no impact on prior year cash and cash equivalents.

**Foreign currency translation**

The integrated foreign subsidiary's accounts and foreign currency transactions are translated into Canadian dollars as follows:

- Current assets and liabilities, at the exchange rate in effect at year-end; resulting gains or losses are included in earnings for the year;
- Fixed assets and depreciation, at the historical rate;
- Long-term debt incurred in foreign currencies, at the exchange rate in effect at year-end; resulting gains or losses are deferred and amortized over the remaining term of the debt. Deferred exchange gains or losses are recorded as deferred charges;
- Income and expense accounts, at the average annual exchange rate.

**Valuation of inventories and molds for sale**

Inventories are valued at the lower of cost and replacement cost for raw materials, and at the lower of cost and net realizable value for finished goods. The cost of inventories is determined substantially according to the first in, first out method. The cost of finished goods and molds for sale consists of the cost of raw materials and an applicable share of the cost of labour and manufacturing overhead.

**Fixed assets**

Fixed assets are recorded at cost and depreciated over their estimated useful lives according to the following methods and annual rates or, in the case of certain spare parts for machinery, according to their use.

| | | |
|---|---|---|
| Buildings | Diminishing balance | 5 % |
| Machinery | Diminishing balance | 10 % to 15 % |
| Furniture | Diminishing balance | 20 % |
| Computer system | Diminishing balance | 30 % |
| Automotive equipment | Diminishing balance | 15 % and 30 % |
| Molds | Straight-line | 16 $\frac{2}{3}$ % |

Additions to fixed assets are depreciated when put into operation. Fixed assets for major expansion projects are depreciated from the date of completion of the project.

Grants related to the purchase of fixed assets are accounted for as deferred grants and applied against the fixed assets. These deferred grants are amortized using the depreciation rates of the related fixed assets.

**Deferred charges**

Deferred charges are amortized at the annual rate of 33 $\frac{1}{3}$% using the straight-line method.

**Goodwill**

Goodwill is amortized using the straight-line method at the annual rate of 2.5%.

**Income taxes**

The Company provides for income taxes using the tax allocation method. Deferred income taxes result primarily from timing differences between capital cost allowance claimed for income tax purposes and depreciation recorded for accounting purposes.

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

**Group pension plan**

The Company offers a group registered retirement savings plan to its employees. Pension plan costs correspond to payments made during the year.

**Earnings per share**

Basic earnings per share are calculated according to the average number of shares outstanding during the years, i.e. 7,279,250 shares in 1999 and 7,277,750 shares in 1998.

Fully diluted earnings per share are calculated by adjusting the basic earnings to include the additional after-tax yield the Company would have received from the exercise of stock options. These fully diluted earnings per share are calculated on the weighted average number of shares that would have been outstanding had all the stock options been exercised at the date of granting, i.e. 7,671,696 shares in 1999 and 7,566,977 shares in 1998.

## 3. ACQUISITION OF A COMPANY

In December 1998, the Company acquired through its new Ontario wholly owned subsidiary, IPL Prelude Corp., the assets of Prelude Plastic Manufacturing Corp., for a cash consideration of $7,490,677. This transaction was accounting for using purchase method; the total purchase price was allocated as follows:

| | |
|---|---|
| Fixed assets | $ 6,240,677 |
| Goodwill (Note 6) | 1,250,000 |
| Price paid | $ 7,490,677 |

## 4. INVENTORIES

| (in thousands of dollars) | October 2 1999 | October 3 1998 |
|---|---|---|
| Finished goods | $ 11,052 | $ 10,110 |
| Raw materials | 6,222 | 4,956 |
| | $ 17,274 | $ 15,066 |

## 5. FIXED ASSETS

| (in thousands of dollars) | Cost | Accumulated Depreciation | Net Book Value October 2 1999 | Net Book Value October 3 1999 |
|---|---|---|---|---|
| Land | $ 639 | $ - | $ 639 | $ 818 |
| Buildings | 26,824 | 7,870 | 18,954 | 12,530 |
| Machinery | 75,428 | 34,697 | 40,731 | 33,933 |
| Molds | 34,500 | 26,894 | 7,606 | 6,246 |
| Furniture | 1,886 | 1,161 | 725 | 519 |
| Computer system | 3,625 | 1,518 | 2,107 | 1,503 |
| Automotive equipment | 3,060 | 1,942 | 1,118 | 984 |
| | $ 145,962 | $ 74,082 | 71,880 | 56,533 |
| Deferred grants | | | 3,360 | 3,042 |
| | | | $ 68,520 | $ 53,491 |

## 6. INTANGIBLE ASSETS

| (in thousands of dollars) | Cost | Accumulated Amortization | Net Book Value October 2 1999 | Net Book Value October 3 1999 |
|---|---|---|---|---|
| Goodwill | $ 1,250 | $ 16 | $ 1,234 | $ - |

## 7. DEFERRED CHARGES

| (in thousands of dollars) | Cost | Accumulated Amortization | Net Book Value October 2 1999 | Net Book Value October 3 1999 |
|---|---|---|---|---|
| Project development and start-up costs | $ 2,358 | $ 1,592 | $ 766 | $ 1,368 |

## 8. BANK LOANS

The Company has authorized lines of credit of $26,000,000 which are secured by accounts receivable and inventories. These bank loans are at bank prime rate and are renegotiable in January 2000. Interest on these loans amounted to $601,534 for the year ($466,690 as at October 3, 1998).

## 9. LONG-TERM DEBT

| (in thousands of dollars) | October 2 1999 | October 3 1998 |
|---|---|---|
| Loans, secured by immovable hypothecs on land and buildings and by a hypothec on a universality of present and future assets of the Company | | |
| Fixed rate from 6.72% to 8.5%, maturing from 2001 to 2007, average rate of 7.27% | $ 18,541 | $ 14,078 |
| Based on bank prime rate, maturing from 2000 to 2007 | 12,055 | 651 |
| Amounts due on acquisition of fixed assets, subject to long-term financing | 2,831 | - |
| Without interest, maturing from 2004 to 2007 | 844 | 773 |
| Fixed rate of 6.25%, matured in 1999 | - | 124 |
| Based on bank prime rate, reimbursed in 1999 | - | 124 |
| | 34,271 | 15,750 |
| Current portion | 5,675 | 3,129 |
| | $ 28,596 | $ 12,621 |

Interest on long-term debt was $1,206,601 for the year ($770,273 as at October 3, 1998).

Assuming the loans maturing within the next five years are refinanced, and using the year-end exchange rate, principal payments required over this period will be as follows:

| 2000 | 2001 | 2002 | 2003 | 2004 |
|---|---|---|---|---|
| $ 5,675,000 | $ 4,433,000 | $ 4,056,000 | $ 3,894,000 | $ 3,862,000 |

## 10. GRANTS AND TAX CREDITS

During the year, the Company qualified for a grant of $500,000 for the acquisition of fixed assets and investment tax credits of $437,191 ($219,333 as at October 3, 1998) with respect to capitalized research and development expenses. The Company also claimed scientific research tax credits of $410,541 ($364,642 as at October 3, 1998), accounted for as other revenue in the earnings statement. Scientific research expenses incurred during the year amount to $604,480 ($554,905 as at October 3, 1998).

## 11. CAPITAL STOCK

Authorized

Unlimited number of shares

Preferred shares, non-voting, non-participating

Classes "A" and "B", without par value, issuable in series and entitling the directors to determine the number of shares, their designation and their attributes

Class "A" shares rank prior to all other classes of authorized shares with regard to dividends and capital. Class "B" shares rank prior to the multiple voting shares, subordinate voting shares and Class "C" preferred shares with regard to dividends and capital

Class "C", par value of $1 each. These shares, which confer upon the holder the right to a fixed, annual, non-cumulative dividend of $1, rank prior to the multiple voting shares and subordinate voting shares and are redeemable at their par value plus one tenth of one percent

Multiple voting shares, without par value, multiple voting rights (10 votes per share), ranking prior to Class "C" shares with regard to capital, participating. The votes attached to the multiple voting shares are reduced to one vote per share where the current majority shareholders no longer constitute the controlling shareholders or where they cease to own, directly or indirectly, at least 35% of the aggregate shares outstanding

Subordinate voting shares, without par value (1 vote per share), ranking prior to Class "C" shares with regard to capital, participating. In the event of a buyout proposal for the multiple voting shares, a subordinate voting shareholder will have multiple voting rights solely for the purpose of accepting said offer.

**11. CAPITAL STOCK (cont'd)**

| (in thousands of dollars) | | October 2 1999 | October 3 1998 |
|---|---|---|---|
| Issued and paid | | | |
| 1,802,100 | Preferred Class "C" shares | $ 1,802 | $ 1,802 |
| | Related income taxes | 660 | 660 |
| | | 1,142 | 1,142 |
| 7,279,250 | Multiple voting shares | 22,052 | 22,052 |
| | | $ 23,194 | $ 23,194 |

The Company reserved 727,525 multiple voting shares (514,694 of which have been granted) for its executive stock option plan. At year-end, options for 414,694 shares were outstanding. These options may be exercised at different dates through 2009 at prices ranging from $5.12 to $14.15 (weighted average of $10.46).

**12. INCOME TAXES**

Income tax expense corresponds to an effective rate of 34.6% in 1999 and 34.2% in 1998. The differences between income tax expense and the basic tax rates are as follows:

| (in thousands of dollars) | October 2 1999 | | October 3 1998 | |
|---|---|---|---|---|
| Tax expense at the basic tax rate | $ 4,871 | 38.0 % | $ 4,065 | 38.0 % |
| Deduction for manufacturing and processing profits | ( 840 ) | ( 6.6 ) | ( 710 ) | ( 6.6 ) |
| Deduction for investment | ( 160 ) | ( 1.2 ) | ( 87 ) | ( 0.8 ) |
| Higher tax rates in certain provinces and in the United States | 388 | 3.0 | 218 | 2.0 |
| Part I.3 tax and other items | 173 | 1.4 | 173 | 1.6 |
| | $ 4,432 | 34.6 % | $ 3,659 | 34.2 % |

**13. CHANGES IN NON-CASH WORKING CAPITAL ITEMS**

| (in thousands of dollars) | October 2 1999 | October 3 1998 |
|---|---|---|
| Accounts receivable | $ ( 6,821 ) | $ 250 |
| Inventories | ( 2,208 ) | 1,247 |
| Molds for sale | ( 1,700 ) | 77 |
| Prepaid expenses | 89 | ( 39 ) |
| Accounts payable and accrued liabilities | 3,956 | ( 1,004 ) |
| Income taxes payable | 499 | 2,676 |
| | $ ( 6,185 ) | $ 3,207 |

**14. FINANCIAL INSTRUMENTS**

Financial instruments are accounted for at their historical cost, which, unless otherwise indicated, approximates their fair value. Fair value is determined by discounting cash flows using quoted market prices.

Financial instruments whose fair value differs from the carrying value as at October 2, 1999 are as follows:

| (in thousands of dollars) | Carrying Value | Fair Value |
|---|---|---|
| Fixed-rate long-term debt | $ 18,541 | $ 18,442 |
| Non-interest bearing debt | $ 844 | $ 550 |

**Rate risk**

The Company does not use derivative financial instruments to manage exchange rate risk and reduce the impact of interest rate fluctuations. Exchange rate risk is reduced by the fact that the Company concludes sales and purchase transactions in foreign currency of approximately equal volume, and interest rate risk is reduced by the fact that the Company uses a combination of fixed and variable rates for long-term debt.

**Credit risk**

In the normal course of operations, the Company assesses the financial condition of its existing customers on an ongoing basis and reviews the credit history of all new customers. No customer balance exceeds 10% of the accounts receivable of the Company.

The Company believes that the diversity of its client base, by product and geographic segment, provides protection against sudden fluctuations in the economic conditions of local markets and reduces credit risk.

## 15. COMMITMENTS

As at October 2, 1999, the Company's commitments for the acquisition of fixed assets amount to $10,814,739, of which $3,662,262 has been paid.

## 16. UNCERTAINTY DUE TO THE YEAR 2000 ISSUE

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems, which use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 Issue may be experienced before, on, or after January 1, 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure, which could affect the Company's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 Issue affecting the entity, including those related to the efforts of customers, suppliers, or other third parties, will be fully resolved.

## 17. SEGMENT DISCLOSURES

### Business Segments

The Company adopted the new Canadian standards regarding segment disclosure in accordance with the "management approach", which is based on the way that management organizes the segments within the enterprise for making operating decisions and assessing performance.

The Company manages its operations through two separate business units: the packaging division and industrial division (materials handling and custom moulding). The accounting policies applicable to the business units are identical to those described in Note 2 "Significant accounting policies". The Company assesses performance on the basis of net carnings. The Company's assets are used by the two divisions and may not be allocated specifically to one business unit or the other. The financial results of these two business units for the year ended October 2, 1999 are as follows:

| (in thousands of dollars) | Packaging Division | Industrial Division | Total |
|---|---|---|---|
| Sales | $ 67,096 | $ 68,313 | $ 135,409 |
| Operating expenses | 55,459 | 57,270 | 112,729 |
| Amortization of deferred grants | ( 318 ) | ( 189 ) | ( 507 ) |
| Other revenue, net | ( 122 ) | ( 578 ) | ( 700 ) |
| | 55,019 | 56,503 | 111,522 |
| Earnings before amortization, financial expenses and income taxes (EBITDA) | 12,077 | 11,810 | 23,887 |
| Depreciation of fixed assets | 4,889 | 3,560 | 8,449 |
| Amortization of deferred charges and goodwill | 150 | 543 | 693 |
| Financial expenses | 1,109 | 823 | 1,932 |
| | 6,148 | 4,926 | 11,074 |
| Earnings before income taxes | 5,929 | 6,884 | 12,813 |
| Income taxes | 2,138 | 2,294 | 4,432 |
| NET EARNINGS | $ 3,791 | $ 4,590 | $ 8,381 |

### Export Sales

Foreign sales for the year, mainly to the United States, were approximately $43,092,000 - 32% of sales - ($38,124,000 $ as at October 3, 1998 - 34% of sales).

Almost all of the fixed assets owned by the Company and its subsidiaries are located in Canada.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

8 **RÉMI MÉTIVIER**
Chairman of the Board
IPL Inc.

7 **JULIEN MÉTIVIER**
President and
Chief Executive Officer
IPL Inc.

9 **CLÉMENT MÉTIVIER**
Director,
Cost System Director
and Treasurer,
IPL Inc.

10 **FRANÇOIS BÉCHARD***
Vice President,
Finance and Secretary
IPL Inc.

6 **JEAN-MARIE CHABOT**
Vice President,
Operations
IPL Inc.

5 **FERNAND MERCIER**
Vice President,
Administrative Services
IPL Inc.

1 **JEAN-YVES BÂCLE**
Vice President,
Industrial Division
IPL Inc.

3 **PAUL-HENRI FILLION***
Consultant

2 **PIERRE G. RACINE**
Vice President,
Aero Group Rolls-Royce
Canada Ltd.

4 **LUC HOULE***
Vice President,
Capital d'Amérique
CDPQ Inc.

* Member of the Audit Committee


## OFFICERS

**RÉMI MÉTIVIER**
Chairman of the Board

**JULIEN MÉTIVIER**
President and
Chief Executive Officer

**CLÉMENT MÉTIVIER**
Cost System Director
and Treasurer

**FRANÇOIS BÉCHARD**
Vice President,
Finance and Secretary

**JEAN-YVES BÂCLE**
Vice President,
Industrial Division

**JEAN-MARIE CHABOT**
Vice President,
Operations

**FERNAND MERCIER**
Vice President,
Administrative Services

**PAUL TURCOT**
Vice President,
Packaging Division

**AUDITORS**
Samson Bélair Deloitte & Touche

**LAWYERS**
Desjardins, Ducharme, Stein, Monast
Quebec

Martineau Walker
Montreal

**BANKER**
National Bank of Canada
Bank of Montreal
Caisse Centrale Desjardins

**REGISTRAR AND TRANSFERT AGENT**
General Trust of Canada

**ANNUAL NOTICE**
A copy of the annual notice, filed with the Commission des Valeurs mobilières du Quebec is available upon written request to the Secretary of the Company.

**ANNUAL MEETING OF SHAREHOLDERS**
On Tuesday, February 8, 2000 at 3:00 p.m.
at the OMNI Montreal Hotel,
located at 1050 Sherbrooke Street West
Montreal, Quebec.

**HEAD OFFICE**

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